



OIOS

Office of Internal Oversight Services

INTERNAL AUDIT DIVISION

AUDIT REPORT

ECA use of funds from the Netherlands Minister for Development Cooperation

**Project management needs to be improved to
ensure efficiency and effectiveness of project
delivery**

19 March 2009

Assignment No. AA2008/710/07

United Nations  Nations Unies

INTEROFFICE MEMORANDUM

MEMORANDUM INTERIEUR

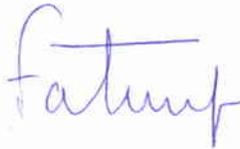
OFFICE OF INTERNAL OVERSIGHT SERVICES - BUREAU DES SERVICES DE CONTRÔLE INTERNE
INTERNAL AUDIT DIVISION - DIVISION DE L'AUDIT INTERNE

TO: Mr. Abdoulie Janneh, Executive Secretary
A: Economic Commission for Africa

DATE: 19 March 2009

REFERENCE: IAD-09-01307

FROM: Fatoumata Ndiaye, Acting Director
DE: Internal Audit Division, OIOS



SUBJECT: **Assignment No. AA2008/710/07 - Audit of the ECA use of funds from the Netherlands Minister for Development Cooperation**
OBJET: **Assignment No. AA2008/710/07 - Audit of the ECA use of funds from the Netherlands Minister for Development Cooperation**

1. I am pleased to present the report on the above-mentioned audit.
2. Based on your comments, we are pleased to inform you that we will close recommendation 7 in the OIOS recommendations database as indicated in Annex 1. In order for us to close the remaining recommendations, we request that you provide us with the additional information as discussed in the text of the report and also summarized in Annex 1.
3. Your response indicated that you did not accept recommendation 3. In OIOS' opinion however, this recommendation seeks to address significant risk areas. We are therefore reiterating it and requesting that you reconsider your initial response based on the additional information provided in the report.
4. Please note that OIOS will report on the progress made to implement its recommendations, particularly those designated as high risk (i.e., recommendations 1 to 5), in its annual report to the General Assembly and semi-annual report to the Secretary-General.

cc: Ms. Lalla Ben Barka, Deputy Executive Secretary, ECA
Ms. Doreen Bongoy-Mawalla, Officer-In-Charge, Division of Administration, ECA
Mr. Urbain Zadi, Director, Office of Strategic Planning and Programme Management
Mr. Swatantra Goolsarran, Executive Secretary, UN Board of Auditors
Ms. Maria Gomez Troncoso, Officer-in-Charge, Joint Inspection Unit Secretariat
Mr. Moses Bamuwanye, Chief, Oversight Support Unit, Department of Management
Mr. Byung-Kun Min, Programme Officer, OIOS
Mr. Normand Ouellet, Chief, Nairobi Audit Service, OIOS

INTERNAL AUDIT DIVISION

FUNCTION

“The Office shall, in accordance with the relevant provisions of the Financial Regulations and Rules of the United Nations examine, review and appraise the use of financial resources of the United Nations in order to guarantee the implementation of programmes and legislative mandates, ascertain compliance of programme managers with the financial and administrative regulations and rules, as well as with the approved recommendations of external oversight bodies, undertake management audits, reviews and surveys to improve the structure of the Organization and its responsiveness to the requirements of programmes and legislative mandates, and monitor the effectiveness of the systems of internal control of the Organization” (General Assembly Resolution 48/218 B).

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EXECUTIVE SUMMARY

Audit of the ECA use of funds from the Netherlands Minister for Development Cooperation

OIOS conducted an audit of the Economic Commission for Africa (ECA) use of funds from the Netherlands Minister for Development Cooperation. The overall objective of the audit was to assess the appropriateness of project expenditures and accuracy of financial and project reporting. The audit was conducted in accordance with the International Standards for the Professional Practice of Internal Auditing.

ECA incurred expenditures of \$7.0 million on forty different projects. OIOS concluded that the project expenditures were incurred for the intended purpose and were in accordance with the Memoranda of Understanding (MOUs) with The Netherlands Minister for Development Cooperation and the United Nations Financial Regulations and Rules.

However, there was need to strengthen the financial control environment and to improve financial and project reporting by:

- Preparing guidelines on what activities should constitute a project and ensuring that a project proposal is produced in a standard format and shared with the donor at the project inception stage;
- Resolving long outstanding obligations which contribute to delays in closing projects;
- Requiring the Finance staff to only effect payment when the performance evaluation data is present in the Integrated Management Information System (IMIS), in addition to the manual performance evaluation forms currently being used; and
- Reclassifying expenditures and revising the financial statements accordingly in order to ensure their accuracy and reliability.

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I. INTRODUCTION

1. The Office of Internal Oversight Services (OIOS) conducted an audit of the Economic Commission for Africa (ECA) use of funds from the Netherlands Minister for Development Cooperation. The audit was conducted in accordance with the International Standards for the Professional Practice of Internal Auditing.
2. The Netherlands Minister for Development Cooperation provided funds to ECA in accordance with the following Memoranda of Understanding (MOU):
 - The first MOU for \$5,000,000 was signed on 7 December 2005 to enable the Commission carry out high priority strategic policy analytical work within the context of the Prospectus 2005-2008; and
 - The second MOU for \$7,829,478 was signed on 2 April 2002 to support ECA annual programmes 2001-2003.
3. From this pool of funds, OIOS was requested to audit 40 projects with an expenditure of \$7,049,379.17. As at December 2008 the unspent balance on the projects was \$336,364.56 (see Annex 2 for details).
4. The audit was undertaken at the request of ECA in accordance with the terms of the MOUs with the Netherlands.
5. Comments made by ECA are shown in *italics*.

II. AUDIT OBJECTIVES

6. The overall objective of the audit was to assess the appropriateness of project expenditure which included to:
 - (a) Determine whether the expenditures were incurred for the intended purposes and in accordance with the MOUs with the Netherlands Minister for Development Cooperation and United Nations Regulations and Rules; and
 - (b) Assess the accuracy and reliability of financial and project reporting to the Netherlands Minister for Development Cooperation.

III. AUDIT SCOPE AND METHODOLOGY

7. The audit focused on review of expenditures for the projects funded by the Netherlands Minister for Development Cooperation from May 2002 to December 2008. The audit was conducted in Addis Ababa, Ethiopia and involved interviewing key project staff, reviewing the MOUs, financial statements referred to in Annex 2, project reports and other supporting documentation.
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IV. AUDIT FINDINGS AND RECOMMENDATIONS

A. Project management

A standard format and set of procedures for handling project proposals needs to be implemented

8. Project proposals were not available for four of the 40 projects reviewed (Table 1). In the absence of documented proposals, there were no objective criteria for ECA and the Netherlands Minister for Development Cooperation to measure and evaluate the performance of the projects.

Table 1: Netherlands projects without proposals on file

#	Account Number	Project name	Expenditures as at 6/10/2008
1.	HDN-7356-1652 MLT0602	Joint ECA/OECD for the Meeting of STATCOM-AFRICA and FASDEV	\$3,687.18
2.	HDN-7420-1570 NET/07/061	CODI-V Regional Workshops	\$90,737.79
3.	HDN-7201-0714 NET/02/004	Office of Executive Secretary (OES) – Urgent Consultancy Assignment	\$218,267.47
4.	HDN-7367-7258 NET/06/012	Support to the Organization of the ECA Conference of African Ministers of Finance, Planning and Economic Development	\$116,804.02
Total			\$429,496.46

9. For the 35 projects which did have proposals available for review, there was no standard format used for their preparation. For example, Inter-office memos, consultants' terms of references, member states' requests for advice, aide memoires, were all considered as a sufficient basis for initiating projects. The Project Manager informed OIOS that ECA set up an Advisory Committee on Administrative and Budgetary Matters (ACABM) in 2006 that reviewed project proposals before financing.

10. As discussed above, there was no consistent basis for formulating a project. Therefore, the mechanisms used meant that few projects were supported by a consistent statement of activities and deliverables against which ECA could be held accountable. It also increased the risk of omissions of key issues, such as performance reporting, and the donors did not have the basis to objectively compare and evaluate the relative merits and results of projects undertaken.

Recommendation 1 and 2

The ECA Office of Strategic Planning and Programme Management should:

(1) Prepare guidelines on what activities should constitute a project and require that these activities be documented in a project proposal before they are funded; and

(2) Implement a standard format for project proposals.

11. *ECA accepted recommendation 1. Recommendation 1 remains open pending receipt of a copy of the guidelines for formulating project proposals.*

12. *ECA accepted recommendation 2 and stated that as observed by the audit, ECA already developed a standard format for project proposals. This will be re-circulated and placed on the intranet, with a reminder to all to ensure compliance. Recommendation 2 remains open pending receipt of evidence that the circular has been sent and details of the procedures put in place to monitor compliance.*

Need to provide project proposals to the Netherlands Minister for Development Cooperation to enhance accountability and transparency

13. In accordance with the terms of the MOUs, ECA implemented projects using the Netherlands Minister for Development Cooperation funds based on its prospectus and business plan. The MOUs did not require ECA to share the project proposals with the Netherlands prior to project commencement. Whilst there was no ECA policy on sharing proposals in advance to seek donor views and feedback, OIOS is of the opinion that standard proposals should be developed and shared with donors to seek their views. This could reduce the risk of donor dissatisfaction and enhance transparency and accountability. ECA management explained that the donor was informed of the objectives pursued, activities undertaken and outputs expected to be achieved through the prospectus and business plans which was the basis for the support. Therefore, management did not find it essential to submit project proposals to the donor.

Recommendation 3

(3) The ECA Office of Strategic Planning and Programme Management should discuss with the Netherlands Minister for Development Cooperation providing copies of the project proposals prior to project commencement, to seek their input and concurrence.

14. *The ECA did not accept recommendation 3, stating that the government of Netherlands provided "budget support" funding to ECA based on the ECA business plan and the programmes and projects approved in the ECA's biennium budget – copies of which were made available to the Dutch before the approval of the Grant. ECA is not required to and the MOU signed with the Netherlands does not require ECA to provide a project proposal for the programmes and activities for their input and concurrence, as these activities have already been approved via the UN Biennium approval process and the ACABM. There are more than five hundred project activities for all ECA supported project activities*

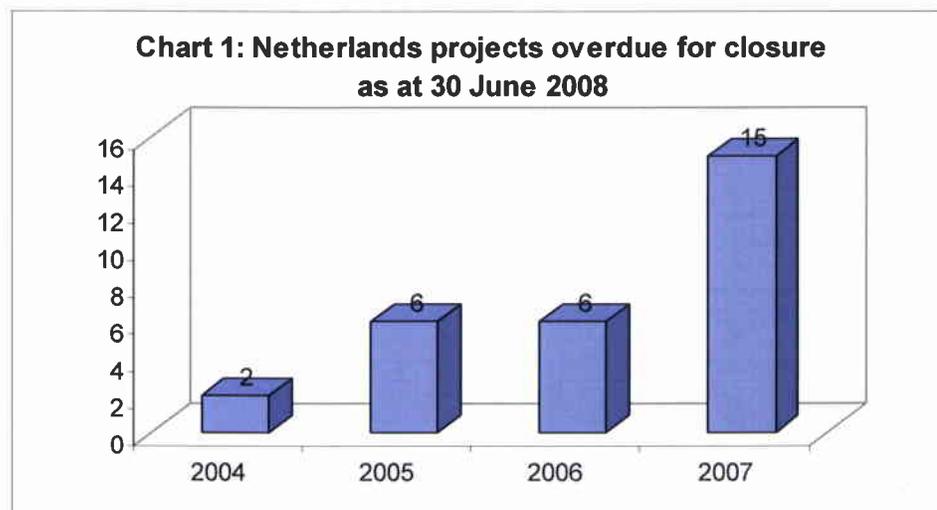
and this is technically impossible. Providing copies of, and seeking concurrence on every project proposal/activity, negates the principle and purpose of budget support grant.

15. *The Commission further observed that it is important to note that the Joint Financial Arrangement with ECA donors requires a six-monthly project review meetings between ECA and the donor partner. This regular review meeting provides avenues to discuss the progress of implementation of each project, challenges encountered and way forward.*

16. OIOS takes note of the additional information. The recommendation is requesting that ECA discuss with the Netherlands whether they would like to see and comment on the project proposal. Recommendation 3 will therefore remain open pending receipt of documentation showing the outcome of discussions with the Government of the Netherlands.

Delays in closing projects

17. In June 2008, 29 of the 40 projects (72 per cent) should have been closed by December 2007 but were still open (see Annex 4). As shown in Chart 1, most of the projects should have been completed in 2007.



18. OIOS found that the primary cause for the delays was a significant amount of long outstanding obligations on the projects. For example:

- A Communication Capacity Building project was started in April 2002 and should have been closed in April 2005 but was still open through June 2008 because of outstanding obligations of \$377.42. There were no expenditures incurred from 2006 to 2008 on the project.
- 38 per cent of the value of the outstanding obligations on all Netherlands projects were over one year old (Table 1).

Table 2: Long outstanding obligations

#	Details	Value (\$)	Percentage in value of obligations
1.	Obligations over 1 year	43,725.30	38
2.	Obligations less than 1 year	71,379.10	62
	Total	115,104.40	100

19. ECA attributed the delays to untimely liquidation of obligations mainly with the United Nations Development Programme (UNDP) for the services rendered on behalf of ECA. ECA was resolving the matter with UNDP but significant work was yet to be done. Information was not readily available on what ECA owed UNDP with regard to projects funded by the Netherlands. ECA had set up a system that was able to timely resolve new obligations for 2008 but there was still a backlog of obligations from 2004 to 2007.

20. Delays in closing projects could result in the donor having a negative impression of ECA's ability to implement projects in a timely manner thus adversely affecting the donors' willingness to provide funds for future projects.

Recommendation 4

(4) The ECA Administration should set up an action plan and timetable for resolving the outstanding obligations with UNDP for 2004-2007 in order to facilitate timely closure of projects.

21. *ECA accepted recommendation 4 and stated that work was in progress in resolving outstanding obligations with UNDP.* Recommendation 4 remains open pending receipt of a copy of the action plan and timetable for resolving the outstanding obligations with UNDP.

B. Expenditures

Payments without performance evaluation data in the accounting application

22. Payments were made on projects funded by the Netherlands without performance evaluation data being entered into IMIS. For example, 39 payments amounting to \$653,920.82 (Annex 3) were made without entering the supporting data on performance evaluation into IMIS. Project managers explained that the evaluation was done manually and staff responsible may have overlooked to input the data. This was confirmed by Finance staff who stated that unlike the individual consultants, entering the data was not mandatory for institutional contractors hence there was no control to prompt the staff if they overlooked to enter the data. Without this control in place, there was a risk of ECA paying contractors without satisfactory completion of assigned work, which could result in waste of resources.

Recommendation 5

(5) The ECA Administration should make it mandatory for the Finance staff to only make a payment when the performance evaluation data is present in the Integrated Management Information System.

23. *ECA accepted recommendation 5 and stated that the Commission had communicated to staff concerned to strictly follow the audit recommendation. However, the payment to institutional contractor still cannot be evaluated in IMIS. ECA will contact IMIS team to resolve the issue. Recommendation 5 remains open pending notification of the outcome of the review by the IMIS team on a requirement to have performance evaluation data input in the system before payments are effected to institutional contractors.*

Excessive travel costs

24. Travel costs constituted a high proportion of some project expenditures. For example, the travel costs for ECA staff members accounted for over 50 per cent of some project expenditures (Table 3).

Table 3: Proportion of ECA staff travel costs to total project expenditure

#	Project	ECA staff travel costs (\$)	Total project expenditure (\$)	Proportion of travel costs to total expenditure
1.	Support to African Center for Statistics Activities	96,388	188,782	51%
2.	Support to the African Peer review Mechanism (APRM) by the APR unit	31,076	35,117	88%
3.	ARIA III Preparatory Work	60,970	68,896	88%
4.	Post-Cancun Expert Group Meeting (Accra, Ghana)	69,712	125,238	56%
5.	IDEP's Review	39,338	54,723	72%
	Total	\$297,484	\$472,756	63%

25. Project staff explained that most of the projects undertaken involved travel costs and in some cases, travel was inevitable to places where ECA had no representative offices. For the regular budget, the Executive Secretary approves the travel plans before staff members travel. In these cases, there was no evidence of advance travel plans being prepared and approved either as part of the original project documents or as part of project implementation. The absence of advance travel planning increases the risk of unnecessary travel taking place.

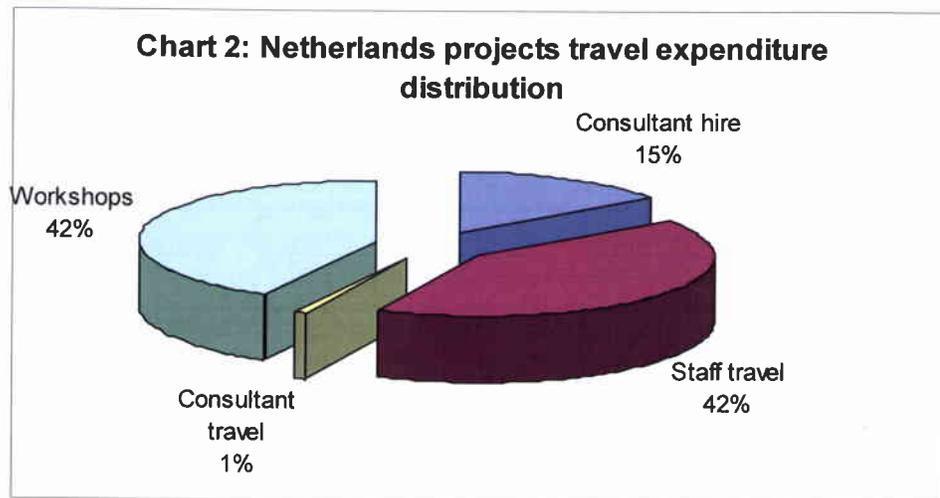
26. *ECA commented that it already has in force a quarterly travel plan. Every division prepares a quarterly travel plan (on both regular and extra budgetary resources combined), which is submitted to the Office of Strategic Planning and Programme Management (OPM) for review and endorsement before being forwarded to the office of the Executive Secretary for further review*

and approval. The quarterly travel plan is followed by the monthly travel plan and is being implemented within the commission since January 2008. Based on ECA's response, recommendation 5 is closed.

Travel costs included in workshop expenditure

27. ECA processed travel costs as part of workshop activities. Therefore, staff and consultants travel costs were processed under workshops budget lines in some of the Netherlands projects.

28. OIOS expected to find that travel expenditures for ECA staff and consultants processed under the 1501 and 1601 budget lines respectively, in accordance with the chart of accounts in use, with the other participants' travel costs charged to the respective workshops budget lines. OIOS found that 42 per cent of the travel costs in the projects were included in workshops and 15 per cent in consultants hire as shown in Chart 2. OIOS used obligations for all Netherlands projects amounting to \$318,875.10 that were still open on 12 October 2008 for this analysis.



29. Charging travel costs to workshop expenditure affects the accuracy and reliability of the financial statements. Hence there is need for reclassification of the expenditures.

Recommendation 6

(6) The ECA Administration should identify all project related travel expenditures included in consultant hire and workshops and process them under the correct budget lines for staff travel and consultant travel (1501 and 1601 respectively).

30. The ECA accepted recommendation 6 and stated that work was in progress to identify and reprocess travel expenditure that had been included in workshops. Recommendation 6 remains open pending receipt of documentation

showing that the travel expenditures have been charged to the correct budget lines.

C. Reporting

Detailed reports to be prepared and filed for each project undertaken

31. ECA prepared and sent annual reports of progress achieved on projects, as agreed with the Netherlands Minister for Development Cooperation. However, OIOS did not find the detailed reports on project files for three of the 40 projects reviewed, as shown in Table 4.

Table 4: Projects without progress reports

#	Account Number	Project name	Expenditures (\$)
1.	HDN-7365-0850/0722 NET/06/011	ECA's HIV/AIDS Advocacy and Communication project	\$41,702.31
2.	HDN-7400-1574 NET/06/041	Africa Forum on Fighting Corruption	\$ 10,315.35
3.	HDN 7201-0714 NET//	OES – Urgent Consultancy Assignment	\$218,267.47

32. OIOS considers it a good practice for ECA to prepare and file detailed reports on each project for effective monitoring of individual project accomplishments and as a basis for the annual report sent to donors.

Recommendation 7

(7) The ECA Office of Strategic Planning and Programme Management should prepare and file individual detailed reports for each project undertaken.

33. *ECA accepted recommendation 7 and stated that the action being called for by this recommendation had already been implemented during December 2008. ECA had developed a web-based application - a donor portal – which is a platform that provides personalized information to both ECA and its Donors/Partners on the management of ECA Trust Fund activities. Information provided on this network includes among others the financial statements, as well as the progress and terminal reports of every XB project since 2000. With this new system now in place, ECA feels that setting up individual detailed reports for each project will not be necessary. Based on the action taken by ECA, recommendation 7 has been closed.*

Reclassification of expenditures in financial statements

34. The statements of project expenditures for 25 of the 40 projects reviewed (Annex 2) accurately reflected the expenditures incurred. In the other 15 projects, there was need to reclassify expenditures, mainly for travel, and to

revise the financial statements accordingly to ensure their accuracy and reliability.

Recommendation 8

(8) The ECA Administration should reclassify expenditures and revise the financial statements accordingly in order to ensure accuracy and reliability of financial reports.

35. *ECA accepted recommendation 8 and stated that work was in progress to reclassify the expenditure and revise the financial statements. This was expected to be finalized by 28 February 2009. Recommendation 8 remains open pending receipt of a copy of the revised financial statements.*

V. ACKNOWLEDGEMENT

36. We wish to express our appreciation to the Management and staff of ECA for the assistance and cooperation extended to the auditors during this assignment.

STATUS OF AUDIT RECOMMENDATIONS

Recom. no.	Recommendation	Risk category	Risk rating	C/O ¹	Actions needed to close recommendation	Implementation date ²
1	The ECA Office of Strategic Planning and Programme Management should prepare guidelines on what activities should constitute a project and require that these activities be documented in a project proposal before they are funded.	Operational	High	O	Receipt of a copy of the guidelines on what activities constitute a project and require a proposal before they are funded.	June 2009
2	The ECA Office of Strategic Planning and Programme Management should implement a standard format for project proposals.	Operational	High	O	Receipt of evidence that the circular has been sent and details of the procedures put in place to monitor compliance.	June 2009
3	The ECA Office of Strategic Planning and Programme Management should discuss with the Netherlands Minister for Development Cooperation providing copies of the project proposals prior to project commencement, to seek their input and concurrence.	Governance	High	O	The recommendation is requesting that ECA discuss with the Netherlands whether they would like to see and comment on the project proposal. The recommendation will therefore be left open pending notification of the outcome of discussions with the Government of the Netherlands.	Not provided
4	The ECA Administration should set up an action plan and timetable for resolving the outstanding obligations with UNDP for 2004-2007 in order to facilitate timely closure of projects.	Financial	High	O	Receipt of a copy of the action plan and timetable for resolving the outstanding obligations with UNDP.	30 June 2009
5	The ECA Administration should make it mandatory for the Finance staff to only make a payment when the performance evaluation data is present in the Integrated Management Information System.	Financial	High	O	Notification of the outcome of the review by the IMIS team on a requirement to have performance evaluation data input in the system before payments are effected to institutional contractors.	30 April 2009
6	The ECA Administration should identify all project related travel expenditures included in consultant hire and workshops and process them under the correct budget lines for staff travel and consultant travel (1501 and 1601 respectively).	Financial	Medium	O	Receipt of documentation demonstrating the travel expenditure have been included in correct budget lines.	28 February 2009

Recom. no.	Recommendation	Risk category	Risk rating	C/O ¹	Actions needed to close recommendation	Implementation date ²
7	The ECA Office of Strategic Planning and Programme Management should prepare and file individual detailed reports for each project undertaken.	Operational	Medium	C	Action completed.	Implemented
8	The ECA Administration should reclassify expenditures and revise the financial statements accordingly in order to ensure accuracy and reliability of financial reports.	Financial	Medium	O	Receipt of a copy of the revised financial statements.	28 February 2009

1. C= closed, O = open
2. Date provided by ECA in response to recommendations.

ANNEX 2

Detailed review of expenditures on projects funded by the Netherlands Minister for Development Cooperation

#	Donor Account Number	Project Title	Period for the financial statements reviewed	Budget	Expenditures	Balance	Affected budget lines	Observations	Expenditure reclassification required?
1.	HDN-7266-0722 NET/03/021	The Trial of the African Gender and Development Index in Ethiopia	October 2003 to 6 October 2008	54,017.26	54,017.23	.03	-	• None	No
2.	HDN-7365-0850/0722 NET/06/011	ECA's HIV/AIDS Advocacy and Communication	19 April 2006 to 6 October 2008	60,626.00	41,702.31	18,923.69	1301	• Adverse variance of \$2,014.75 on the administrative support budget line	No
3.	HDN-7425-0722 NET/07/066	Support to African Ministerial Review (AMR)	19 April 2007 to 6 October 2008	12,091.00	2,953.20	9,137.80		• None	No
4.	HDN-7356-1652 MLT0602	Joint ECA/OECD for the Meeting of STATCOM-AFRICA and FASDEV	31 January 2006 to 6 October 2008	3,687.18	3,687.18	0	3201	• "support for meeting" for \$3,262.99 in the financial statement is composed of travel expenditure	Yes
5.	HDN-7376-1652/8592 NET/06/020	Workshop on Strategic Planning of Statistical Activities	27 June 2006 to 6 October 2008	6,843.79	6,843.79	0	-	• None	No
6.	HDN-7379-1652/8592 NET/06/023	Preparation of the Business Plan for ECA's Statistical Activities	2 July 2006 to 6 October 2008	19,141.07	18,532.72	608.35	-	• None	No
7.	HDN-7394-1652 NET/06/036	Support to African Center for Statistics Activities	25 October 2006 to 6 October 2008	198,550.01	188,782.91	9,767.10	-	• None	No
8.	HDN-7408-8592 NET/07/049	Servicing the African Symposium for Statistical Development (ASSD-2007)	10 January 2007 to 6 October 2008	18,034.80	6,508.10	11,526.70	3201	• "Interpretation charges for servicing the African Symposium for statistical development" of \$5,759.38 is composed of travel expenditures	Yes
9.	HDN-7397-0850 NET/06/038	Climate for Development in Africa Programme (ClimDev)	3 November 2006 to 6 October 2008	39,455.76	39,455.76	0	1151	• Consultant travel costs included in the budget line for hiring consultants	Yes

10.	HDN-7423-0850 NET/07/064	Support to ECA's Water Activities	12 April 2007 to 10 April 2008	6,076.53	6,076.53	6,076.53	0	-	• None	No
11.	HDN-7449-0850 NET/07/090	Preparatory Activity for Climate Africa Program	30 November 2007 to 6 October 2008	39,550.00	33,365.86	6,184.14	1151	• Consultant travel costs included in the budget line for hiring consultants	Yes	
12.	HDN-7336-1652/1574 UK05039	Support to the African Peer Review Mechanism (APRM) by the APR Unit	14 April 2005 to 6 October 2008	35,674.36	35,117.72	556.64	1501, 1502	• Budget line description of "Travel costs for country support mission" and "Travel costs for country review mission" does not mention that the expenditure is for ECA staff travel	Yes	
13.	HDN-7382-1574 NET/07/026	ECA's Support to African Peer Review Mechanism (APRM)	26 December 2007 to 6 October 2008	198,199.74	99,968.47	98,231.27	-	• None	No	
14.	HDN-7400-1574 NET/06/041	Africa Forum on Fighting Corruption	13 November 2006 to 6 October 2008	43,000.00	10,315.35	32,684.65	3202, 3203	• Travel costs included in "Coffee/Tea, Mineral water & reception" and "Miscellaneous" budget lines	Yes	
15.	HDN-7412-1574 NET/07/053	Support for Governance	28 February 2007 to 6 October 2008	50,000.00	42,129.82	7,870.18	-	• None	No	
16.	HDN-7413-1574 NET/07/054	African Civil Society Forum 2007	7 March 2007 to 6 October 2008	30,000.00	29,565.63	434.37	3201	• Budget line for "African Civil Society Forum" is mainly composed of travel costs	Yes	
17.	HDN-7399-1570 NET/06/040	Development of Science and Technology for Economic Growth in Africa	13 November 2006 to 6 October 2008	41,156.33	41,814.00	(657.67)	1501	• This ECA staff travel line had an adverse variance of \$582.01	No	
18.	HDN-7420-1570 NET/07/061	CODI-V Regional Workshops	12 April 2007 to 6 October 2008	90,737.79	90,737.79	0	3201	• The expenditure for "Resource person's honorarium" was included in budget line 3201 instead of consultant hire with 1100 series budget code	Yes	
19.	HDN-7368-0704 NET/06/013	ARIA III Preparatory Work	3 May 2006 to 6 October 2008	69,299.23	68,896.01	403.22	3201	• Official staff travel should have been processed under budget line 1501 that is dedicated for staff travel	Yes	
20.	HDN-7436-0704 MLT07/077	Support to ECA's Launching of the African Peer Learning Group on Natural	20 August 2007 to 6 October 2008	66,331.00	90,227.21	(23,896.21)	1301, 1302, 1303, 1501,	• There were adverse variances on various budget lines totaling \$23,896.21	Yes	
								• Budget line 1501 that is	is	

		Resources Management (APLG NRM)							5400	dedicated for staff travel was used for Travel of resource persons	
21.	HDN-7407-0704 NET/06/048	Support to ECA's Water Project Related Activities	26 December 2006 to 6 April 2008	7,877.59	7,877.59	0	0	-	0	<ul style="list-style-type: none"> None 	No
22.	HDN-7272-0704 NET/03/024	Post-Cancun Expert Group Meeting at Accra	7 November 2003 to 6 October 2008	125,238.66	125,238.66	0	0	3201 3202	<ul style="list-style-type: none"> Budget line 3201 was used to process staff travel instead of 1501 that is dedicated for staff travel There was a difference of \$14,386.39 between the expenditures as stated in budget line 3201 (Travel and DSA for ECA Staff) and the listing of transactions for the budget line. There was a difference of \$9,053 between the expenditures as stated in budget line 3202 (Travel and DSA for ECA Staff) and the listing of transactions for the budget line. There were transfers without descriptions in budget line 3202 (Travel and DSA for ECA Staff) 	Yes	
23.	HDN-7417-1652 NET/07/058	IDEP's Review	16 February 2007 to 6 October 2008	62,770.00	54,723.92	8,046.08	1301	8,046.08	<ul style="list-style-type: none"> None 	No	
24.	HDN-7201-0714 NET/02/004	OES – Urgent Consultancy Assignment	August 2002 to 6 October 2008	218,267.47	218,267.47	0	0	1102 1103 1150 1601 5202	<ul style="list-style-type: none"> Travel costs to Kampala - Uganda and Washington-USA included in budget line 1102 for "Ghana Technical Assistance 1". Consultants travel should be processed under 1601 budget line. Travel costs to Abuja - Nigeria and Washington - USA included in budget line 1103 for "Ghana Technical Assistance 2". Consultants travel should be processed under 1601 budget line. The "Consultant – Knowledge 	Yes	

25.	HDN-7363-0714 NET/06/009	Strategic Direction and Repositioning of ECA	7 April 2006 to 6 October 2008	199,265.39	199,265.39	0	1151 1152 1501	<ul style="list-style-type: none"> Management" had a total expenditure of \$90.00 only ECA Staff travel was processed on consultant travel budget line 1601 instead of 1501 and vice versa Hiring of Authors was processed on budget line 5202 instead of 1100 series budget lines Budget lines for project personnel used for consultants Incomplete definition of budget lines e.g. one line called "consultant" and another "consultant fees" Consultant travel costs included in budget lines for hiring the Senior consultants on strategic direction Consultant's travel included in budget code 1501 that is dedicated for ECA staff travel None 	Yes
26.	HDN-7309-1652/7258 MLTADFV	Preparation for the African Development Forum (ADF) V	12 June 2006 to 6 October 2008	119,095.27	119,095.27	0	-	<ul style="list-style-type: none"> None 	No
27.	HDN-7372-7256 NET/06/017	ECA Partners Forum - 2006	10 June 2006 to 6 October 2008	56,160.01	31,628.90	24,531.11	3201 3202 5201	<ul style="list-style-type: none"> Travel costs included in the budget line for "Partner's Forum 2006" and "Big Table" \$6,142.42 payment for staff member but paid under 5201 "Translation and interpretation." instead of 1300 series budget code 	Yes
28.	HDN-7295-7258 NET/04/008	Support to the ECA Conference of African Ministers of Finance Planning and Economic Development - Kampala, Uganda, 18 to 22 May 2004.	May 2004 to 6 October 2008	53,281.29	53,281.29	0	3201	<ul style="list-style-type: none"> Travel costs for staff and consultants included in the budget line for "Conference Support" 	Yes
29.	HDN-7367-7258 NET/06/012	Support to the Organization of the ECA Conference of	26 April 2006 to 6 October 2008	118,499.02	116,804.02	1,695.00	3202 3204	<ul style="list-style-type: none"> Staff travel included in budget code 3202 - Travel instead of budget code 1501. 	Yes

30.	HDN-7380-1676 NET/06/024	African Ministers of Finance, Planning and Economic Development	Accelerating Regional Integration in Central Africa	23 August 2006 to 6 October 2008	67,778.55	65,096.08	2,682.47	1153 1601	<ul style="list-style-type: none"> Staff travel included in budget code 3204 – Miscellaneous "International Procurement" included in training budget lines Consultant (Trade Promotion) includes expenditure described such as "SRO-CA expenditure for the month of May 2007". Therefore, it is not clear what this expenditure relates to. There was inadequate description of expenditures that constituted Consultant Travel and DSA 	Yes
31.	HDN-7385-1678 NET/06/028		Pilot Project for the Regional Cargo Tracking System	29 September 2006 to 10 April 2008	55,788.03	55,788.03	0	-	<ul style="list-style-type: none"> None 	No
32.	HDN-7406-1674 NET/06/047		North African Trade Forum	26 December 2006 to 6 October 2008	50,000.00	35,448.37	14,551.63	1152 3201	<ul style="list-style-type: none"> The budget line for International consultants – interpretation and translation was mainly composed of travel costs. There was inadequate description of expenditures that constituted Logistics and Local Organization for the Trade Forum 	Yes
33.	HDN-7428-0732 NET/07/069		Technical Assistance to Malawi	18 April 2007 to 6 October 2008	7,910.00	5,999.22	1,910.78	1501	<ul style="list-style-type: none"> Financial statements had a budget line of 1501 for travel. However, the budget code 3201 (for workshops) was used to process transactions reported in travel budget line 	Yes
34.	HDN-7451-0732 NET/07/091		Multi-Stakeholder Development Forum, Dec 2007, Gaborone, Botswana	20 December 2007 to 6 October 2008	61,924.00	59,465.35	2,458.65	3201 3202 3203	<ul style="list-style-type: none"> Travel costs reported as "Conference Facilities" Payment for report and conference packaging reported as Travel and DSA Adverse variance of \$14,138.89 on Travel and DSA for participants The project is entitled "Multi-Stakeholder Development Forum, Dec 2007, Gaborone." 	Yes

35.	HDN-7409-0730 NET/07/050	Conference on the Implication of Global Climate Change for Natural, Economic and Social System in West Africa	11 January 2007 to 27 March 2008	35,870.49	35,870.49	0	3201	<p>Botswana" but mission/workshop costs also incurred for travel to activities in Lusaka (Zambia), Chirundu (Zambia) Addis Ababa (Ethiopia), and Johannesburg (South Africa).</p> <ul style="list-style-type: none"> Travel costs included the budget line for "Conference" Bank charges included the budget line for "Conference" 	Yes
36.	HDN-7264-0714/0722 NET/03/019	Commission on HIV/AIDS and Governance in Africa (CHGA)	October 2003 to 6 October 2008	765,727.40	748,584.01	17,143.39	3401 3402	<ul style="list-style-type: none"> There was inadequate description of expenditures that constituted Consultant Travel and DSA. Commissions meeting budget line is mainly composed of travel costs. Expenditure of \$8.61 for the Morocco Interactive Meeting does not appear to reflect the cost of holding a meeting. 	Yes
37.	HDN- 7190-0850/0704 NET/02/001	Institutional Strengthening of the Inter-Agency Group on Water in Africa	May 2002 to 6 October 2008	1,477,880.69	1,477,880.69	0	3201 3202 3203 3204 3205 3209 5209	<ul style="list-style-type: none"> Travel costs included in workshops, meetings, technical assistance, Incomplete description of a "Mission cost" budget line Expenditure on the workshop for water dome includes \$60,000 paid to an institutional contractor – International Water Management Institute Consultants hired under a workshop budget line for Pan African Implementation and partnership conference on water. Fuel costs and overtime included in a workshop budget line for Pan African Implementation and partnership conference on water. Hiring costs included in the 	Yes

ANNEX 3

Payments without performance evaluation data in accounting application

#	Project Account Number	Month	Payee Identity	Payee Name	Object code	Amount obligated	Expenditure	Balance
1.	7190 0850 NET02001	200310	986651	Busia, Awa	115100	5,000.00	5,000.00	0.00
2.	7190 0850 NET02001	200310	1922	Ethiopian Gemini Trust	115100	3,208.47	3,208.47	0.00
3.	7190 0850 NET02001	200404	23756	Barandemaje, Denis	320100	5,000.00	5,000.00	0.00
4.	7190 0850 NET02001	200405	888159	Soro, Nagnin	320100	5,000.00	5,000.00	0.00
5.	7190 0850 NET02001	200504	259033	Bethune, Shirley	115100	5,000.00	5,000.00	0.00
6.	7190 0850 NET02001	200505	991164	Larmie, S.A	115100	5,000.00	5,000.00	0.00
7.	7190 0850 NET02001	200510	922862	N'dao, Ababakar	320100	5,000.00	5,000.00	0.00
8.	7190 0850 NET02001	200510	809426	Kane, Cheikh	115100	5,000.00	5,000.00	0.00
9.	7190 0850 NET02001	200510	23756	Barandemaje, Denis	115100	5,000.00	5,000.00	0.00
10.	7197 0714 NET03002	200210	1780	Center for Development Communication	320100	27,933.75	27,933.75	0.00
11.	7197 0714 NET03002	200210	1780	Center for Development Communication	320100	52,939.00	52,939.00	0.00
12.	7197 0714 NET03002	200505	1780	Center for Development Communication	320100	32,000.00	32,000.00	0.00
13.	7201 0714 NET02004	200412	1451	Oxford University Press	520100	12,000.00	12,000.00	0.00
14.	7201 0714 NET02004	200412	1337	Knowledge Working Inc	110100	11,000.00	11,000.00	0.00
15.	7201 0714 NET02004	200511	109420	Caplan, Gerald	110100	12,000.00	12,000.00	0.00
16.	7370 1574 NET06015	200706	1753	Nul Institute of Southern African Studies	220100	20,600.00	10,300.00	10,300.00
17.	7370 1574 NET06015	200706	1874	Ceei/isri	220100	20,350.00	10,175.00	10,175.00
18.	7370 1574 NET06015	200706	1763	University of Gambia Faculty of Eco & Mgt Studies	220100	20,000.00	10,000.00	10,000.00
19.	7370 1574 NET06015	200706	1765	Uniswa Consultancy & Training Center	220100	20,000.00	10,000.00	10,000.00
20.	7370 1574 NET06015	200706	2463	Universite de Djibouti	220100	14,000.00	14,000.00	0.00
21.	7370 1574 NET06015	200706	2465	Faseg/Universite de Lome	220100	14,710.00	14,710.00	0.00
22.	7370 1574 NET06015	200706	1764	Sitra Consult	220100	17,197.00	17,197.00	0.00
23.	7370 1574 NET06015	200706	1636	Institut Africain Pour la Democratie	220100	20,000.00	20,000.00	0.00

24.	7370	1574	NET06015	200706	1923	CEREG	220100	23,000.00	23,000.00	0.00
25.	7370	1574	NET06015	200706	1751	Centre Pour la Gouvernance Democratique Burkina-Faso	220100	20,000.00	20,000.00	0.00
26.	7370	1574	NET06015	200706	2562	Campaign for Good Governance	220100	12,874.60	12,874.60	0.00
27.	7370	1574	NET06015	200706	1632	Centre for Basic Research	220100	29,100.00	29,100.00	0.00
28.	7370	1574	NET06015	200707	1623	University of Dar es Salam	220100	28,410.00	14,205.00	14,205.00
29.	7370	1574	NET06015	200708	1762	Addis Ababa University	220100	26,000.00	13,000.00	13,000.00
30.	7370	1574	NET06015	200709	1862	Consortium Unr-beater sarl	220100	29,000.00	14,500.00	14,500.00
31.	7370	1574	NET06015	200709	2464	Unite de Recherche en Analyse Societale/uras	220100	19,000.00	19,000.00	0.00
32.	7370	1574	NET06015	200710	2461	Afrosondagem Ida	220100	9,791.00	9,791.00	0.00
33.	7370	1574	NET06015	200710	2463	Universite de Djibouti	220100	28,000.00	28,000.00	0.00
34.	7370	1574	NET06015	200710	2466	Cabinet ECR	220100	43,696.00	43,696.00	0.00
35.	7370	1574	NET06015	200710	2464	Unite de Recherche en Analyse Societale/uras	220100	38,000.00	38,000.00	0.00
36.	7370	1574	NET06015	200710	2465	Faseg/Universite de Lome	220100	29,420.00	29,420.00	0.00
37.	7370	1574	NET06015	200710	1764	Stra consult	220100	34,788.00	34,788.00	0.00
38.	7370	1574	NET06015	200710	2461	Afrosondagem Ida	220100	19,583.00	19,583.00	0.00
39.	7412	1574	NET07053	200705	660211	Amoateng, Acheampong	115100	7,500.00	7,500.00	0.00
								\$736,100.82	\$653,920.82	\$82,180.00

ANNEX 4

Delays in completion of projects

	Project Title	Expected implementation period	Utilization of funds as at 30 June 2008	Comments
	Projects expected to end 2004			
1.	Post-Cancun Expert Group Meeting at Accra	November 2003 to December 2004	100 %	Project operationally closed. Division to sort out obligations amounting to \$36,558.90.
2.	Support to the ECA Conference of African Ministers of Finance Planning and Economic Development - Kampala, Uganda, 18 to 22 May 2004.	May 2004 to June 2004	100 %	Project operationally closed. Obligations amounting to \$793.77 to be liquidated?
	Projects expected to end 2005			
1.	Support to the African Peer Review Mechanism (APRM) by the APR Unit	June 2005 to December 2005	100 %	Project operationally completed. Obligations amounting to \$556.64 to be liquidated not obligated.
2.	OES – Urgent Consultancy Assignment	September 2002 to March 2005	100 %	Project operationally closed. Division to sort our obligations amounting.
3.	Support to the Organization of the ECA Conference of African Ministers of Finance, Planning and Economic Development	April 2005 to May 2005	100 %	Obligations of \$34,817.64 to be sorted out.
4.	Commission on HIV/AIDS and Governance in Africa (CHGA)	October 2003 to December 2005	98 %	Project operationally closed. No obligation, project can be closed.
5.	Communication Capacity building	April 2002 to April 2005	100 %	Project operationally closed. Division to sort out obligations of \$377.42 to be liquidated.
6.	Poverty Reduction Strategy Learning Group (PRSP-LG)	September 2002 - March 2005	100 %	Project operationally closed. No obligations, project to be closed.
	Projects expected to end 2006			
1.	Preparation of the Business Plan for ECA's Statistical Activities	August 2006 to December 2006	97 %	Project to be closed.
2.	Development of Science and Technology for Economic Growth in Africa	November 2006 to December 2006	100 %	Project operationally completed. Obligations of \$19,400.96 to be liquidated. Projects to be closed.
3.	ARIA III Preparatory Work	May 2006 to December 2006	100 %	Obligations of \$863.06 to be liquidated. Project to be closed.
4.	Strategic Direction and Repositioning of ECA	April 2006 to December 2006	100 %	Obligations amounting to \$9,571.67 to be liquidated.
5.	Preparation for the African Development Forum (ADF-V)	June 2006 to December 2006	100 %	Project operationally completed. Division to sort unliquidated obligations amounting to \$6,323.10.
6.	Institutional Strengthening of the Inter-Agency Group on Water in Africa for the implementation of the Africa Water Vision 2025	May 2002 to December 2006	99 %	Obligations of \$68,731.80 to be liquidated. Project operationally closed.
	Projects expected to end 2007			
1	ECA's HIV/AIDS Advocacy and Communication	April 2006 to December 2007	69 %	Obligations of \$563.53 to be liquidated.
2.	Support to African Ministerial Review (AMR)	April 2007 to December 2007	24 %	Project to be closed and balance reprogrammed.

3.	Servicing the African Symposium for Statistical Development (ASSD-2007)	January 2007 to March 2007	36 %	Activity completed.
4.	Climate for Development in Africa Programme (ClimDev)	November 2006 to December 2007	100 %	Obligations of \$1,398.93 to be liquidated. Project operationally closed.
5.	Preparatory Activity for Climate Africa Program	December 2007 to December 2007	84 %	Obligations of \$8,238.76 to be liquidated.
6.	Africa Forum on Fighting Corruption	November 2006 to November 2007	24 %	Activity completed. Project to be closed.
7.	Support for Governance	September 2007	75 %	-
8.	African Civil Society Forum 2007	March 2007 to March 2007	99 %	Obligations of \$1,649.20 to be liquidated. Forum Report due June 2007. Project to be closed.
9.	CODI-V Regional Workshops	March 2007 to March 2007	100 %	Obligations of \$114,442.41 to be liquidated. Workshop report due May 2007. Project to be closed.
10.	Support to ECA's Launching of the African Peer Learning Group on Natural Resources Management (APLG NRM)	August 2007 to October 2007	100%	Deficit to be sorted out.
11.	ECA Partners Forum - 2006	June 2006 to December 2007	56 %	Obligations of \$9,992.45 to be liquidated.
12.	Accelerating Regional Integration in Central Africa	September 2006 to September 2007	105 %	Obligations of \$19,775.23 to be liquidated. SRO-CA to sort out the deficit of (\$3,082.52).
13.	North African Trade Forum	December 2006 to June 2007	71 %	Project to be closed. Forum Report due.
14.	Technical Assistance to Malawi	April 2007 to December 2007	70 %	Obligations of \$2,867.94 to be liquidated. Project to be closed.
15.	IDEP's Review	February 2007 to March 2007	87 %	Project activity completed. Obligations of \$13,386.64 to be liquidated and project to be closed.